



COUNCIL SUBCOMMITTEE ON ECONOMIC DEVELOPMENT

APPROVED SUMMARIZED MINUTES

Thursday, September 8, 2016

4:00 p.m.

Kiva Conference Room

3939 N. Drinkwater Blvd, Scottsdale, AZ 85251

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- PRESENT:** Mayor W.J. "Jim" Lane
Vice Mayor David Smith
Councilmember Linda Milhaven
- STAFF:** Danielle Casey, Economic Development Director
Karen Churchard, Tourism Director
William Hylen, Assistant Senior City Attorney
Rachel Smetana, Mayor's Office
Mark Paratore, Economic Development Specialist
- GUESTS:** Dr. Denise Birdwell, Interim Superintendent, Scottsdale Unified School District
Daniel O'Brien, Chief Finance Officer, Scottsdale Unified School District

Call to Order/Roll Call

Mayor Lane called the regular meeting of the Council Subcommittee on Economic Development to order at 4:09 p.m. A formal roll call confirmed members present as stated above, noting the presence of a quorum.

1. Approval of April 14, 2016 Minutes

COUNCILWOMAN MILHAVEN MOVED TO APPROVE THE MINUTES OF THE MARCH 24, 2016 MEETING AS PRESENTED. COUNCILMAN SMITH SECONDED. THE MOTION CARRIED BY A UNANIMOUS VOTE OF THREE (3) TO ZERO (0).

2. Scottsdale Unified School District Update (SUSD)

Dr. Denise Birdwell, Interim Superintendent, Scottsdale Unified School District (SUSD) stated that the core purpose of the district is to engage, educate and empower all students every day. A quality school system will raise home values and bring economic interest into the city.

The current student population is 24,000 students, which decreased by only 46 students with the opening of the new Basis Charter school. This is attributed to improved marketing and the inclusion of language studies in all elementary schools. Two schools are dual language schools, with half the day taught in English and half in Mandarin. Mandarin is a global language and the number one language used in business. The district is focused on providing the next workforce for Scottsdale. Graduation rates are arrived at by combining all five high schools and computing an average rate over a three-year period. The average graduation rate is 92 percent with 90 percent college attendance of those graduates. Scottsdale is an A rated district with some A+ schools rated by the State foundation. Christine Marsh received the teacher of the year award, representing Scottsdale across the nation, including a visit to the White House to meet President Obama.

Awards received by the district and its students include:

- 2016 World Renowned Robotics
- 2016 Athletic State Champions
- 2016 High School Fine Arts Awards
- SUSD Lead Psychologist Lifetime Achievement Award
- 12th Best Public School District in Arizona
- 2016 National Merit

Current challenges include aging within the district, with some schools having been built in 1953. The electrical systems were installed in the 50s and 60s, prior to the age of computers and technology. A review is underway to identify needed improvements. These include replacement of dated and inefficient lighting systems, outdoor piping, Plexiglas windows, aged AC systems, roofs in need of repair or replacement, building foundation issues and increased repair costs in facilities where asbestos is present. Other concerns include keeping fire systems and traffic patterns up to code. A typical question for the district is whether it intends to consolidate. Consolidations will be necessary in the event that students are being lost in a community.

Daniel O'Brien, Chief Finance Officer, SUSD, stated that the bond initiative will be structured to retain the current tax rate used by the district. In terms of the capital override, the rate will rise slightly, but will not increase to levels in place two years ago.

Ms. Birdwell noted there is a lifecycle for the replacement of items such as carpets, roofs and electrical components. This will be a main focus for use of funds with the potential passage of the 2016 override. The district works with the city on traffic flow in school areas. There is also a focus on curb appeal of school buildings and facilities.

Mayor Lane addressed the capital budget bond and asked whether the district has a policy for utilizing revenues for disposed of properties and/or facilities towards addressing the capital needs of the district. Ms. Birdwell cited property adjoining Copper Ridge School, which was given to the district for the purpose of building another school. It has been determined that a school is not needed in this location. The question now at hand is who owns the property.

A large piece of property at the Tonalea School location is being considered as the site of a potential children's theater program with the idea that another school not be built unless or until the population necessitates. Structures that have been identified as hazardous will be removed. The solid structures will be retained. The district employs three steps in determining use for such properties, including repurposing, opportunities for enrichment and potential sale of the property. There is also potential for the state to assume control of unused property and repurpose it.

Mayor Lane addressed city partnerships with the district in terms of use of public transportation. One particular issue relates to programming routes in terms of justification of utilization. He referred to the trend of students being dropped off at school, rather than taking the bus, noting that taking the school bus is "no longer cool," and proposing that perhaps public transportation might fill this need, while also serving to save the district in costs. Ms. Birdwell replied that the district would be interested in having a further conversation on this topic.

Mayor Lane stated the importance of how the schools are seen in the community. Ms. Birdwell noted that prior to the incidents at Columbine and Sandy Hook, campuses were generally more open. Families would utilize the fields for play or exercise outside of school hours. Since those times, more fences have gone up around schools, which has lessened access by communities.

Mayor Lane said that the city has had a number of inter-government agreements with the district for years, which has been mutually beneficial.

Councilman Smith asked how far out the district is able to predict its student population. Ms. Birdwell replied that solid predictive statistics can go out ten to 15 years. Beyond this time, there is less reliable data available. The district's predictions for the upcoming ten years are solid. As far as specific detail, the Arcadia area will be flat for the next five to six years. What keeps the schools full is the overflow from outside the Scottsdale community. Desert Mountain is currently losing students, partly due to competition. In the Southern areas, populations are not predicted to grow until years seven, eight and nine. Saguaro is currently losing students, which corresponds to the aging of the community. Chaparral is flat and projected for slight declines over the next ten years, due to aging families. As a successful school, it does continue to attract students from other areas.

In response to a question from Councilman Smith, Ms. Birdwell stated that a large increase in population is not expected in the next five to ten years, unless significant steps are taken in terms of competitiveness. Some shifts are currently underway, including offering language programs and academic programs.

Councilman Smith inquired about synergies with Paradise Valley and Carefree Districts. Ms. Birdwell stated that there is collaboration amongst all the East Valley districts from an educational curricular standpoint. In another sense, the districts represent competition for each other.

Mayor Lane asked about capacity of facilities. Ms. Birdwell stated that the capacity structure of a school is studied based upon factors such as utilization of taxpayer dollars. Rebuilds are also determined based upon appropriate capacities. Capacity can be misleading when programs, such as those for special needs students, are not taken into consideration. Several district schools currently have capacity available.

Mayor Lane pointed out that there is also competition between schools within the district and noted that an overall program can skew use of capacity in a particular school.

3. Eureka Loft Annual Report Presentation

Danielle Casey stated that donations have been received from Salt River Project and Arizona Public Service.

Mark Paratore, Economic Development Specialist, discussed the Eureka Loft and the building of an entrepreneurial ecosystem. The Eureka Loft has been around for three years, with momentum being built from the businesses Eureka Loft interacts with on a daily basis as well as from patrons of the library who are coming for small business support. Eureka Loft provides programming, content and access to mentors. He reviewed highlights and accomplishments over the last year:

- Convened the Eureka Loft Scottsdale Advisory Group
- More than 1,500 program attendees over the last year
- New e-newsletter created with more than 350 active subscribers
- Physical enhancements to the space
- Service mark for Eureka Loft Scottsdale pending registration certification
- Survey results show more than 90 percent of program attendees were very satisfied

- Connect the Tech interactive speaker series with over 100 attendees and including participating companies:
 - HubSpot
 - Parchment
 - WireBuzz
 - Digital Air Strike
 - Brockson Capital
 - Tallwave
 - Wasabi Ventures
- Facility enhancements, including new paint, logo, TV monitor, FilzFelt sound mitigation panels
- 75 attendees for "Website in a Night"
- \$10,000 raised for Eureka Loft enhancements
- Five million social media impressions by Phoenix Startup Week
- Future vision of Eureka Loft:
 - Conceptual layout provides context for the plans moving forward
 - Pod/cluster will allow for space to be utilized for business needs
 - Appointment Plus scheduling platform
- FY 2016/17 Objectives
 - Seek and raise additional funding
 - Enhance and introduce new economic development relating programming
 - Establish new wayfinding and signage
 - Implement new technology platforms and service offerings
 - Increase startup newsletter subscribers by 25 percent
 - Work with advisory group on increasing social media reach
 - Properly track, measure and report on economic impact of new jobs created
 - Formally establish a vetted mentor network
 - Work closely with the Scottsdale Area Chamber of Commerce to advance the small business strategy with downtown merchants
- Upcoming startup programs and events
 - Five-week small business training series with Scottsdale Area Chamber of Commerce October 5th through November 2nd
 - Weebly Website in a Night second week in November
 - Phoenix Startup Week 2017
 - Venture Madness 2017

Mayor Lane asked about the Venture Madness event. Mr. Paratore explained that it is a pitch competition modeled after to March Madness. Sixty-four companies pitch against one another with the final four competing on the last day. The winner receives up to \$100,000 and the prize is sponsored by Invest Southwest and the Arizona Commerce Authority.

Councilman Smith inquired about the Eureka Loft location and questioned whether it might be better located at SkySong, for example, rather than the attic of a library. Ms. Casey replied that the location was originally established via the library's dedication of the space in partnership with ASU as part of the Alexandria Network concept for providing small business startup support training in library locations. The library location is also beneficial for its onsite resources that can be leveraged by the small business community. Mayor Lane added this contributed to a renewal of interest in the library.

Mayor Lane stated that part of the attraction for technology companies coming into downtown has been their ability to use the space for transition into the community.

4. Tourism Department Update

Karen Churchard, Tourism Department Director reported that the Tourism Department continues with its special event ordinance notification. CSL International continues with the Downtown Scottsdale 2.0 feasibility study. The team is visiting October 4 through 6.

Ms. Churchard outlined holiday planning as follows:

- Poinsettias, Gels for Fountains
- Holiday tree at Soleri Bridge
- Hector Esrawe Public Art

Core Activity concepts and planning:

- Tree lighting and kick-off
- Small Business Saturday
- ArtWalk Gold Palette, "I Spy Santa"
- Santa Wine Around
- Reindeer Romp and Run

Reoccurring Concepts and Planning:

- 5th Avenue "Sugar Plum Fairy"
- Old Town's Cowboy Christmas
- Nightly Chorale Entertainment
- Old Town Farmers Market - Holiday Items
- Holly & Jolly Trolley Rides

5. Economic Development Department Report

Danielle Casey, Economic Development Director reported on upcoming events and updates.

Small Business Training Series:

- Begins October 5th
- Five week fall series
- In partnership with the Scottsdale Chamber of Commerce
 - Participants do not have to be Chamber members
 - Chamber of Commerce Downtown Committee kicked off on September 7th
- Each session features a professional small business startup facilitator and expert instructors
- Topics include networking, marketing, legal structure, finance management and human capital tools
- Class graduates will be recognized at a future public program

October 2015 Mayor Council Breakfast:

- Focuses on economic development topics

- Keynote speaker Anthony Wanger, President and Founder of IO Data, headquartered in SkySong
- Event will be broadcast on Facebook live as well as YouTube

Fourth Annual Cure Corridor event:

- Produced in partnership with Scottsdale Business Development Forum and the Scottsdale Area Chamber of Commerce
- Keynote speaker Joon Yoon, Managing Partner and President of Palo Alto Investors

The department is actively promoting the new morning express trolley as part of the downtown parking enhancement initiatives via posters to be distributed to downtown employers, postcards, press release, email reminders and newsletters.

Mayor Lane asked whether employers have taken steps to motivate their employees to utilize the newly available express trolley route. Ms. Casey stated that the employers at the Galleria requested the posters in order to post notice in break rooms and other employee areas. The information is also being provided in new hire orientations. Increased focus on parking restriction enforcement will also help to motivate employees to change their behaviors. There will also be a social media contest, where trolley riders will post a picture of themselves riding the trolley and tagging themselves. Prizewinners will be picked every week with gift cards as prizes.

6. Open Call to the Public (A.R.S. §38-431.02)

There were no public comments.

7. Future Agenda Items

None.

Adjournment

With no further business before the Subcommittee, the meeting adjourned at 5:32 p.m.

Respectfully submitted,
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